

# Reinvigorating the EU's Role in the post-Copenhagen Landscape

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Following the two weeks of dramatic and intensive negotiations on climate change in December, the EU entered a relatively quiet period of recovery, review and reflection. The process of the negotiations was revealing with respect to the self-imposed role and mission the EU has assumed since the earliest climate talks, now enhanced by the Lisbon Treaty: speaking with one voice as a global actor. There has been a bitter acknowledgement shared among EU policy-makers as well as stakeholders that neither the process nor the result met their expectations. In the final analysis, as outlined below, despite their involvement in the small group of countries at the latest stage, the EU together with Japan and Russia could not play a decisive role in tackling the stalemate.<sup>1</sup> Instead, they were obliged to accept the deal, which would become the Copenhagen Accord, struck by the US and China in concert with India, Brazil and South Africa.

As the EU now prepares for the next round of preparatory meetings and negotiations, this CEPS Commentary extracts lessons from its experience in Copenhagen with the aim of reinvigorating the EU's role in international climate change policy.

There is more than one interpretation of the events at Copenhagen. One account is based on the relative coverage of GHG emissions, of which the EU, Japan and Russia – all having accepted the Kyoto Protocol targets – will decrease their shares in the mid- to long-term. Accordingly, their future commitments would be less relevant to a global emissions trajectory than those of top emitters, such as the United States and China, thereby diminishing their clout in the negotiations.

Another explanation focuses on the unilateral and contingent setting of targets. Some countries pledged their mid-term targets prior to Copenhagen and made them contingent on the commitment by other major emitters to more ambitious levels. The latter group also made pledges in advance, but simply did not react to the former group's conditional offers, asserting that their numbers are fixed, absolute and non-negotiable at present. The lack of reciprocity left the EU with little negotiating leverage.

These two accounts shed light on the emissions profile and trajectory of individual emitters and on their negotiating tactics. A related, third factor affecting the behaviour of the EU negotiators as well as the outcome of the talks can be traced to certain institutional aspects, especially the incentive structure of the Kyoto Protocol. The Protocol is equipped with sweeteners in the form of the so-called 'flexible

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mechanisms' for parties willing to take on quantitative targets, such as access to offset credits, sinks or surplus allowances. These sweeteners were offered to help the countries swallow bitter pills, i.e. targets as incentives for a party to join in the mitigation efforts. Nevertheless, the Protocol provides little other than peer pressure to continue to respect original commitments or to move on to deeper commitments to emissions reductions. Such a framework in reality is kinder to outsiders than to insiders. The EU, Japan and Russia ceased to have a swing vote in Copenhagen because their continued involvement in a core group had been taken for granted, no matter where their pledges might settle. This was not the case for the US or China, neither having tied its hands.

Learning from these hard lessons, how can the EU now project itself onto the post-Copenhagen landscape of climate change policy? One approach would be for the EU to assert some form of normative leadership as the frontrunner in implementing domestic measures and scaling up financial and technological assistance to those in need, which could give it additional leverage in negotiations. Another approach might involve enhancing the EU's strategic leadership in driving the development of a global carbon market. A third way would be to act as a reliable and effective facilitator that can pull together the diverse and increasingly divided constituency. To some extent, the EU's considerable experience in securing consensus among 27 member states would be an asset, given that the core group of climate change negotiations after Copenhagen will likely be of a similar size. A fourth role could be that of a chief architect in designing rules, procedures and mechanisms to operationalise any consensus emerging from the UN. As an illustration, the EU could help construct the new mechanisms as provided for in the Copenhagen Accord that require decisions by the Conference of Parties, e.g. the Copenhagen Green Climate Fund and the Technology Mechanism. These options are not comprehensive nor are they mutually exclusive.

But the EU does not have the luxury of extending this period of contemplation. On January 16<sup>th</sup>, an informal Council meeting will take place in Seville to follow up the results of Copenhagen. And then soon after the deadline (31 January 2010) for parties to submit their pledges for emissions reductions, EU leaders will discuss climate change at an informal meeting on February 11<sup>th</sup>. The first challenge is to assess 'comparability of efforts' that will be unilaterally pledged. The second challenge is to evaluate the stringency of these pledges in relation to countries' access to a carbon market. (The current structure of the Copenhagen Accord makes no connection between paragraph 4 on Annex I Parties' pledges and paragraph 7 on the use of markets.) At the same time, these exercises will have an impact on the ongoing negotiations for future flexible mechanisms and financing. A decisive and swift start could help the EU navigate through the rough waters ahead, as it makes its way to Seville and heads for Mexico City for the next annual conference (COP16) before the end of year.

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<sup>1</sup> This weakness was also observed by Günther Öttinger, the Commissioner designate for energy, in his confirmation hearings before the European Parliament, 14 January 2010 (see article in *Financial Times*, "Nominee admits EU lacks 'world authority'", 15 January 2010).